

Message Text

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ACTION AF-18

INFO OCT-01 ADP-00 EB-11 FAA-00 AID-20 TRSE-00 CIAE-00

INR-10 NSAE-00 RSC-01 SS-15 RSR-01 IGA-02 /079 W

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P 161705 Z APR 73

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC PRIORITY 9160

LIMITED OFFICIAL USE SECTION 1 OF 2 LAGOS 3063

E. O. 11652: N/ A

TAGS: ETRN, NI

SUBJECT: NIGERIAN CIVIL AVIATION

REF: STATE 69819

1. BEGIN SUMMARY: TRANSPORT PERMSEC LONGE INTERESTED IN FAA OFFER, BUT CANNOT FINANCE IT ON COMMERCIAL BASIS. HE ASKED WHAT AID COULD DO TO HELP AND WAS DISAPPOINTED THAT GRANT AID A MOST UNLIKELY PROSPECT, BUT IS LOOKING INTO POSSIBILITY OF AID LOAN MESHING T. A. AND EQUIPMENT. HE ASKED TO TALK WITH USAID SOON. END SUMMARY.

2. EMBASSY GREATLY APPRECIATES DEPARTMENT- FAA- AID FORTHCOMING RESPONSE REFLECTED IN REFTEL. WITHOUT IT, AS WILL BE CLEAR FROM FOLLOWING, WOULD HAVE BEEN EXTREMELY HARD- PUT TO MAINTAIN MEANINGFUL DIALOGUE WITH FMG ON AVIATION MATTERS.

3. EMBASSY OFFICER MET TODAY FOR AN HOUR- LONG DISCUSSION OF FAA PROPOSAL FOR ASSISTANCE TO NIGERIAN CIVIL AVIATION WITH PERMSEC GREGORY LONGE AND UNDER SECRETARY G. A. FATOYE; OBI NOT PRESENT AS HE HAD BEEN SUDDENLY CALLED TO LONDON FOR DISCUSSION OF BOEING CONFIGURATION PROBLEM, AMONG OTHER THINGS. WHILE TONE OF DISCUSSION WAS ALWAYS FRIENDLY, INTERCHANGE WAS PENETRATING AND SHARP DIFFERENCES OF VIEW SURFACED AT TIMES.

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4. IN OPENING DISCUSSION LONGE EXPRESSED SURPRISE THAT HE HAD RECEIVED AN OFFER FOR A WHOLE TEAM WHEN ALL HE HAD EXPECTED WAS BAKER'S REACTION TO HIS OFFER OF POSITION AS DIRECTOR OF CIVIL AVIATION. THERE ENDED A REVERIGHT APPEARANCE) 4/16.

3. SECURITY COUNCIL MEETING ON MIDDLE EAST

IN HIS SPEECH BEFORE THE UN SECURITY COUNCIL AT 1130 (EST) APRIL 16, EGYPTIAN FOREIGN MINISTER ZAYYAT REVIEWED THE RESOLUTIONS PASSED BY THE COUNCIL SINCE 1967 CONDEMNING ISRAEL AND WARNING ISRAEL OF FURTHER ACTION IF IT DID NOT CEASE ACTS OF AGGRESSION AGAINST LEBANON. ZAYYAT SAID THAT THE ONLY LOGICAL RESULT OF THE PRESENT DEBATE IS THE IMPOSITION OF MILITARY AND ECONOMIC SANCTIONS ON ISRAEL, ESPECIALLY BY THE US, IN ORDER TO STOP THE ISRAELI AGGRESSION IN THE MIDDLE EAST.

HE FURTHER CALLED FOR THE SECURITY COUNCIL TO TAKE UP A REVIEW OF THE MIDDLE EAST SITUATION AND TO HEAR A FULL REPORT BY THE MIDDLE EAST MEDIATOR GUNNAR JARRING. THE COUNCIL MEETING IS STILL GOING AT THE TIME OF THIS DISPATCH. THE US AND ISRAELI DELEGATES HAVE NOT SPOKEN. (UNCLASSIFIED) OPERATIONS CENTER SUMMARY OF THE ZAYYAT REMARKS 4/16.

4. SOUVANNA REVEALS NVN ATTACK

LAOTIAN PRIME MINISTER SOUVANNA PHOUMA HAS DENOUNCED CEASE- FIRE VIOLATION COMMITTED BY THE NORTH VIETNAMESE IN THE BOUAM LONG AND THAVIANG SECTORS WHERE GOVERNMENT GARRISONS HAVE BEEN ATTACKED. IN A PRESS STATEMENT HE SAID THAT THESE ATTACKS WERE CARRIED OUT IN SPITE OF A WARNING THAT IF SUCH ATTACKS OCCURRED A REQUEST FOR AMERICAN AIR FORCE INTERVENTION WOULD HAVE TO BE MADE. IF SUCH ATTACKS CONTINUE, SOUVANNA PROMISED TO REACT " ENERGETICALLY." SOUVANNA NEVERTHELESS EXPRESSED HIS HOPE THAT A PROVISIONAL GOVERNMENT WILL SOON BE FORMED AS CALLED FOR IN THE FEB. 21 ST AGREEMENT. (UNCLASSIFIED) PHNOM PENH 2904, 4/16. ROGERS

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ACTION AF-18

INFO OCT-01 ADP-00 SS-15 EB-11 FAA-00 AID-20 TRSE-00

CIAE-00 INR-10 NSAE-00 RSC-01 RSR-01 IGA-02 (ADP) W

----- 083692

P 161706 Z APR 73

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC PRIORITY 9161

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7. LONGE SMILED AND SIAD THAT WE STILL HAD NOT GOTTEN TO THE PROBLEM LAWSON HAD TOLD HIM WAS THE MAIN ONE IN THIS PROJECT WHEN HE TOOK OVER AS TRANSPORT PERMSEC. THIS IS THE COST PROBLEM, WHICH HE SAID IS OF MAJOR CONCERN TO HIM. HE FINDS SOME OF THE FIGURES WE HAD GIVEN HIM TO BE TRULY FRIGHTENING. FROM HIS FILES HE DUG OUT THE FIGURES RELATIVE TO BAKER' S ASSIGNMENT THAT WE HAD GIVEN THE MINISTRY LAST DECEMBER. HE NOTED THAT OVERHEAD ELEMENTS (WHICH WE HAD LUMPED TOGETHER) AMOUNTED TO 30,000 DOLLARS OUT OF A TOTAL OF 114,000 DOLLARS. HE SIMPLY DID NOT SEE HOW THIS COULD BE EXPLAINED AS ONCE TEAM GETS HERE THERE SHOULD BE LITTLE BACK- UP REQUIREMENT. EMBASSY SAID THAT FAA NOW SEEMED FIRM ON A TEN PERCENT FIGURE AND THAT THEY HAD OTHER HEADQUARTERS COSTS THAT THEY FELT HAD TO BE INCLUDED IN THE CONTRACT. LONGE ASKED US TO LOOK INTO REDUCING THE NON- DIRECT COSTS OF THIS PROGRAM, ALTHOUGH HE DID NOT SEEM AVERSE TO PAYING SOMETHING LIKE A 5 PERCENT OR TEN PERCENT FLAT OVERHEAD FEE. (EMBASSY NOTES THAT DEPARTMENT OF STATE IS IN THESE FIGURES FOR -5,000 DOLLARS AND OBSERVES THIS WILL BE AWFULLY HARD TO DEFEND.)

8. LONGE SIAD THAT EVEN IF WE ARE ABLE TO GET UNIT COSTS DOWN SOMEWHAT SO THAT THE TOTAL TEAM COST FALLS BELOW FAA' S LAST ESTIMATE OF " SOMEWHAT LESS THAN 8 MILLION DOLLARS," HE COULD NOT GET AN FEC ALLOCATION OF THIS SUM FOR CIVIL AVIATION. THEREFORE, HE SAID,

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THE QUESTION IS " HOW MUCH HELP CAN WE GET FROM USAID?" LONGE HOPED THAT USAID MIGHT BE WILLING TO START OFF PROGRAM WITH A GRANT FOR THE FIRST PHASE AND POSSIBLY FOR FIRST YEAR OF THE MANAGEMENT- TRAINING PROGRAM PROPER. EMBASSY OFFICER QUICKLY STRESSED THAT USAID GRANT FUNDS ARE VERY TIGHT AND THAT ANY FINANCING ORGANIZATION WOULD HAVE GREAT DIFFICULTY IN FINANCING THE EARLY PHASES OF THE PROGRAM ON A BASIS WHICH IT KNEW COULD NOT BE CONTINUED.

9. LONGE THEN WENT ON TO SAY THAT HE KNEW THERE WOULD BE OPPOSITION TO FMG ACCEPTANCE OF A USAID LOAN STRICTLY FOR PAYMENT OF EXPATRIATE PERSONNEL BUT THAT HE WOULD BE WILLING TO SPONSOR SUCH AN APPROACH (ALWAYS ON THE ASSUMPTION THAT HIS STUDY OF THE TEAM APPROACH IS FAVORABLE) IF USAID WERE AGREEABLE. EMBASSY OFFICER EXPRESSED PERSONAL BELIEF THAT USAID WOULD PREFER TO PARTICIPATE MORE FULLY IN AN INTEGRATED APPROACH TO MODERNIZING NIGERIA'S CIVIL AVIATION PROGRAM BY SHARING IN THE EQUIPMENT FINANCING. LONGE SAID THAT THIS IS NOT OUT OF QUESTION BUT THAT ANY US EQUIPMENT WOULD HAVE TO BE COMPETITIVELY PRICED AND HE KNEW NO OTHER WAY TO ASSURE THE COUNCIL ON THIS POINT EXCEPT TO HAVE PROCUREMENT OPEN TO COMPETITIVE INTERNATIONAL TENDERS. IF USAID IS WILLING TO MAKE FUNDS AVAILABLE FOR AMERICAN EQUIPMENT THAT WIN INTERNATIONAL TENDERS, THE LONGE WOULD BE ALL IN FAVOR OF SUCH AN APPROACH AND BELIEVED THAT THE COUNCIL WOULD SHARE HIS VIEW. HE AGREED THIS APPROACH WOULD BE EASIER FOR SOME FEC MEMBERS TO ACCEPT THAN A STRAIGHT T. A. LOAN. HE NOTED THAT FROM HIS EXPERIENCE AT THE MINISTRY OF WORKS HE WOULD BE LESS THAN CANDID IF HE DID NOT SHOW SKEPTICISM ABOUT USAID'S WILLINGNESS TO BE FLEXIBLE ON THIS POINT. HE CLEARLY UNDERSTOOD THAT US MONEY COULD BE USED ONLY FOR THE PURCHASE OF US GOODS AND SERVICES. HE EMPHASIZED THAT HE WILL BE SPENDING TENS OF MILLIONS OF DOLLARS FOR AVIATION EQUIPMENT, AND HE THOUGHT THAT AMERICAN SUPPLIERS SHOULD WIN AT LEAST 7-10 MILLION DOLLARS OF THIS BUSINESS AND PROBABLY MORE. HE ASKED THAT USAID PEOPLE COME TO TALK WITH HIM IN THE NEXT WEEK OR TEN DAYS AFTER HE HAS STUDIED TEAM CONCEPT TO SEE IF IT CAN BE SOLD TO COUNCIL.

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10. COMMENT: LONGE IS CONFIDENT OF HIS OWN ABILITIES AND ORIENTED TOWARD PROBLEM- SOLVING; CONSEQUENTLY, HE IS ONE OF EASIEST FMG SENIOR CIVIL SERVANTS TO DEAL WITH. HIS WILLINGNESS TO DEAL WITH THE FACTS AS THEY EMERGED AT LEAST ALLOWED THE DISCUSSION TO ROLL ALONG AT A GOOD CLIP AND AN ATMOSPHERE FREE OF TENSION. NEVERTHELESS, IT OBVIOUS THAT HE FORSEES SEVERAL DEEP PROBLEMS:

(A) APPROACH - HE WOULD PREFER A ONE- MAN START WITH NO FIRM COMMITMENT AS TO FOLLOW- ON.

(B) SIZE OF TEAM - IF TEAM APPROACH PREVAILS, HE CLEARLY FEELS HE WILL HAVE A DIFFICULT TIME IN CONVINCING COUNCIL TO COMMIT FMG AT OUTSET TO HIRE AS MANY AS 13-20 FOREIGN TECHNICIANS. LIKE MOST FMG OFFICIALS HE PREFERS TO TAKE ON PROBLEMS LIKE THIS IN BITE- SIZE PORTIONS RATHER THAN BY SWALLOWING ALL THE MEDICINE AT ONCE.

(C) COST - BOTH UNIT COST AND TOTAL COST FRIGHTEN HIM AND OBVIOUSLY HE FEELS THAT SOME REDUCTION IN BOTH IS NECESSARY IF HE IS TO GET ANYWHERE EVEN WITH A LOAN PROPOSAL.

(D) AID REQUIREMENTS - FROM HIS DAYS AT PUBLIC WORKS HE HAS BITTER MEMORIES OF WESTERN AVENUE EXTENSION PROJECTION AND IS HESITANT TO BELIEVE THAT AID WILL BE SUFFICIENTLY FLEXIBLE ON THE EQUIPMENT SIDE OF PROJECT.

11. IN SUM, THERE IS CLEARLY A BASIS FOR CONTINUING THIS DIALOGUE. AS IT WILL BE NECESSARY TO KEEP FRANCIS OBI INVOLVED, WE WILL TRY TO BRIEF HIM DURING DISCUSSION OF THE PILOT CERTIFICATION PROBLEM LATER THIS WEEK. THEN BOTH LONGE AND OBI CAN GO ON TO TALKS WITH USAID PEOPLE HERE.
REINHARDT

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